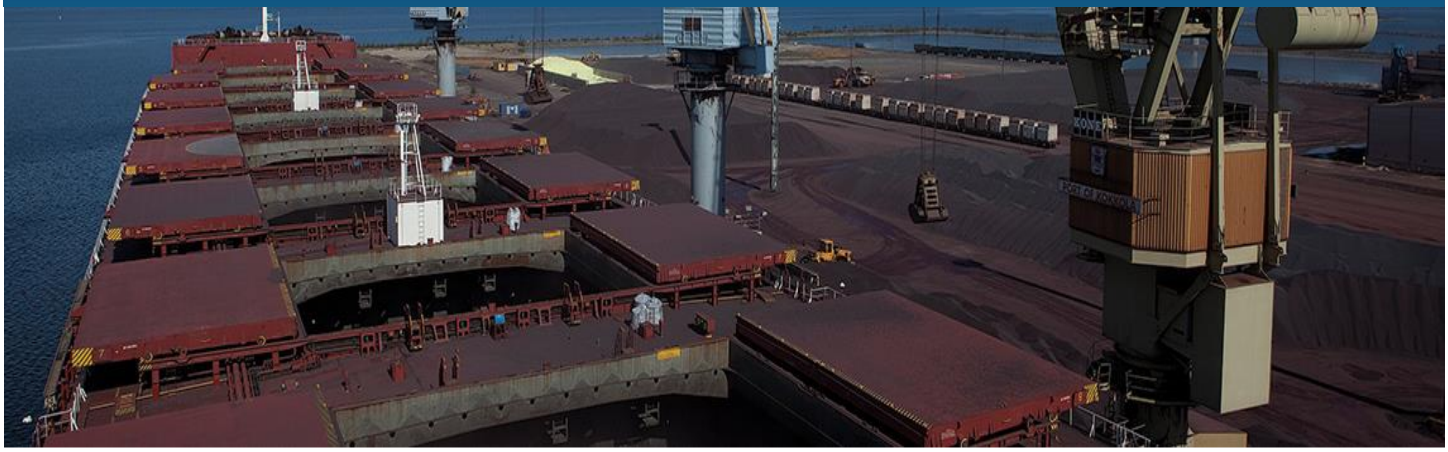
Baltic Briefing

Baltic Exchange member news, views and events



Bulk report – Week 23 2019

Capesize

The market continued in an unusually steady ascent last week. With no major news in the market, each day improved on the last, breaking with the recent boom bust volatility. Owners appear to be less inclined to overplay their hand, while taking the smaller improvements as they come, in what appears to be a sustainable market. The Cape 5TC opened the week at $12,987 and closed out Friday at $15,007. The West Australia C5 route opened the week at $7.223 to close at $7.732, with timecharter rates in the Pacific pushing up respectively, if not more so. The Atlantic, while still minimal on activity, lifted up on the C3 Brazil to China route, with a return of Vale having market requirements. Fronthaul levels lifted approximately $4,500 to close Friday at $29,227 as tonnage tightness takes its toll coming into the later stages of Q2.

Panamax

Despite being a disrupted week, with several holidays in the East, rates in the Pacific appeared to resist the negative sentiment emanating from other areas. There was a surprising volume of fixing spread across the various load areas. The North Pacific saw a steady trickle of enquiry, but minerals from Australia and Indonesia were more dominant. However, the index softened slightly throughout the week. The Atlantic began the week supported by an active North Coast South America fronthaul market, which took a good number of Atlantic delivery ships at between $19,000 and $19,500, basis Gibraltar, to the East. However, the lack of fresh transatlantic stems eventually told, with rates under a great deal of pressure at the end of the week.   Talk of a Panamax concluded below $7,000 for a Baltic round. While a spot Kamsarmax in the US Gulf, waiting for two weeks for a coal cargo, did little to settle owner's nervousness.

Supramax

It was a lacklustre week overall, with the Baltic Supramax Index (BSI) losing ground. This was not helped by the widespread holidays. Period activity was limited, but a 62,000dwt ship was fixed delivery Arabian Gulf, for three to five months trading at $12,500. The Atlantic started the week positively, however, as it progressed, a build-up of tonnage supply changed sentiment. The US Gulf lost ground, with a 56,000dwt vessel fixing for a transatlantic run to Egypt at $12,500. East Coast South America fared better, but rates started to trade sideways. A 57,000dwt ship was covered at $14,000, delivery Recalada, for a trip to the Mediterranean. From the Mediterranean, a 56,000-tonner fixed delivery Greece, with redelivery in West Africa at $9,250. Asia lost ground, with a 63,000dwt vessel, open CJK, fixing at $8,000 for an Australian round. The Indian Ocean saw slower activity than of late, a 56,000-tonner, open Mundra, fixing a trip to East Coast India-Bangladesh at $12,150.

Handysize

The Baltic Handysize Index (BHSI) continued climbing. Minor daily improvements maintained the index in the positive territory. In the Atlantic, a 34,000dwt ship was fixed from Southwest Pass to Algeria, with grains, at a rate in the low $7,000s. A 32,000dwt vessel, open spot in Algeria, was booked for moving fertilisers to South Brazil at $5,000, basis delivery Casablanca. A 35,000-tonner was linked to a trip to Otranto at $7,800, basis delivery Dneprobugsky. It was a short week in the Pacific, with public holidays in Singapore, Korea and China during midweek. Early in the week, medium to large handysize vessels were reportedly fixed for loading from Australia, at $11,000 basis Kwinana, to Indonesia, or, $8,000 basis South China to Japan. A 39,000dwt ship, open CJK, was fixed, and failed, on subjects for some business within the Pacific at $8,000, but the details were not clear. A 28,000-tonner, open Jebel Ali, was fixed for moving urea, via Ruwais, to Kosichang at $6,025.

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